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GOVERNOR'S TRADE MISSION A SUCCESS

In June, Governor Stan Stephens joined state officials and representatives from 38 Montana companies on a two-week trade mission to the Pacific Rim. Commerce Director Chuck Brooke, Agriculture Director Everett Snortland, and Science and Technology Alliance Executive Director Carl Russell accompanied the Governor, attending three trade shows in Japan, and Montana promotion events in Taiwan, Hong Kong and Singapore.

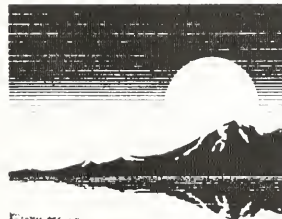
Director Brooke stated, "It was apparent by the amount of business activity planned for this trade mission that Montana's international trade program has made the transition from ceremony to substance."

Governor Stephens opened two major trade shows in Kumamoto, Montana's Japanese sister-state. The Tsuruya Department Store's American Fair offered direct sales products from 11 Montana companies and featured demonstration displays from four others. Although products from most of the 50 states were on sale at the fair, Montana was the only state officially recognized. Montana beef, prepared especially for the Japanese market, was a new product introduced at the event by Selkirk Ranch Beef located near Dillon. Big Sky Carvers of Bozeman sold out its stock-on-hand the first day and Tsuruya Department Store is now taking orders for the firm's wood products.

Twenty-four Montana firms displayed and sold products at the Made in Kumamoto/Made in Montana Trade Show, sponsored by the Kumamoto Prefectural Government and opened by Governor Stephens.

"It was not only a privilege to be invited to these shows but it was a real honor to be a featured guest of these two very prestigious shows," the Governor said. "Montana businesses received the exposure they need to do more business in Japan, as well as a chance to see the benefits of our sister-state relationship," he added.

During his visit to Kumamoto, Governor Stephens met the new head of the prefectural government, Governor George Fukushima. He replaces Governor Hosakawa who stepped down in 1990.



Following stops in Japan, the delegation traveled to Taipei, Taiwan, to sign an agricultural trade agreement with the Republic of China. Agriculture Director Snortland said the agreement "put on paper what we have been doing." During a visit to Montana in 1989, the Taiwan government purchased \$17 million worth of Montana grains, and Snortland invited the Chinese officials to return to purchase grains and other agriculture products.

The visit to Hong Kong and Singapore was the first ever for a

Montana governor. Tourism and investment in Montana businesses were promoted in both locations. The Governor said Singapore and other ASEAN countries (Indonesia, Brunei, Malaysia, Thailand and the Philippines) represent "the fastest growing economies in the world and we need to make sure that Montana has a relationship with them as they develop needs and demands which Montana's goods and services can fulfill."

ASEAN countries are very interested in new technologies which can address their environmental problems. Science and Technology Alliance Executive Director Carl Russell discussed Montana's growing biotechnology industry and its university research programs with ASEAN government officials and private investors. "We are looking for interested investors to work with Montana researchers and Montana firms active in the area of biotechnology. The problems these countries face are similar to the ones Montana has already begun addressing in our mining, forestry and agriculture industries," Russell explained.

Governor Stephens noted, "This trade mission was by far the most exciting to date for Montana because our past promotion and exchange efforts are 'bearing fruit,' if you will." Stephens added, "We have seen substantial growth in our trade activities in the Pacific Rim with over \$700 million received by Montana businesses from trade there. This visit has expanded those opportunities and opened new doors for Montanans and Montana's products."

Inside Commerce is published four times a year as an informational and educational tool for Montanans interested in public policy implementation through the Department of Commerce.

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Perspectives



Sandra Guedes has been in the travel industry since 1975. As Director of Tourism for Montana since November 1989, she directs the state's tourism and movie locations efforts.

From 1985 to 1989, Guedes was in charge of the state's consumer marketing efforts. Prior to joining the Montana Tourism Office, she owned and operated International Tours, a tour operator company specializing in travel to remote destinations, and was involved with public relations for the German airline Lufthansa.

Interest for what Montana has to offer is on the rise. While travel in the United States as a whole showed an increase of four percent in 1990, Montana's non-resident tourism growth reached nearly 10 percent, far outpacing the national growth rate. Non-resident travel to Montana means over \$1.6 billion in economic activity for the state each year, supporting 27,000 jobs and generating \$84 million in tax revenues at the state and local levels.

While travel trends currently favor states like Montana, a well focused marketing approach will certainly be one of the most significant factors in ensuring sustained travel revenues for the state. As we continue to grow in the promotional arena, we are also dedicating more thought and planning to other areas of the industry.

Over the last several years, protection of the environment has risen to the top of the public's list of key concerns. The expression "sustainable development" is being used to describe strategies that allow for economic growth not at the expense of, but rather through the protection of, our natural resources.

Montana's reputation for a clean and unspoiled environment gives us a critical edge in the highly competitive world of tourism. Preserving that reputation is vital to continued tourism growth.

Stronger emphasis on off-season travel and promotional efforts encouraging visitation to less traveled areas are examples of strategies aimed at ensuring the best possible experience for our visitors and the best quality of life for Montanans.

Tourism will continue to be an important component of the Montana economy. Through long range planning, we can ensure that this vital industry will remain compatible with the lifestyle Montanans want to preserve.

Sandra Guedes



MONTANA'S GAME-MONTANA CASH

Montanans are not shy about expressing their desires, so they told the Montana Lottery they wanted their very own lotto-style game, with Montana winners. Many players were tired of seeing the Lotto*America jackpot won by players in other states, particularly Wisconsin.

The Lottery tested 25 potential game designs on players through focus group research sessions. The clear favorite was the game introduced in May called MONTANA CASH. It features a "pick-5-out-of-37-numbers" play format, with the jackpot prize starting at \$20,000. If no one matches all five numbers, the jackpot grows after each drawing. Players also win guaranteed prizes at the second and third tier levels: \$200 for matching 4 of 5; and \$5 for matching 3 of 5. All prizes are paid by single payments (no annuities). Televised drawings are held every Saturday at 8:58 p.m.

During the first week of sales, MONTANA CASH exceeded Lottery projections and the game continues to be very popular. In July, 68 year old Joseph Castagne, a retired rancher from Red Lodge, won the largest prize in the brief history of MONTANA CASH—\$181,000. Montanans are playing and Montanans are winning!

AFFORDABLE HOUSING STRATEGY

During the next few months, the Department of Commerce will collect information necessary to produce a statewide housing needs assessment, including data on housing markets and conditions. The department will also develop statewide strategies for increasing Montana's stock of decent and affordable housing. Although many state and federal programs deal with these housing issues, most communities, as well as the state, have lacked a comprehensive strategy for addressing current and future housing needs in Montana.

With the recent enactment of the Cranston-Gonzalez National Affordable Housing Act, the federal government requires states and localities to uniformly develop a five-year Comprehensive Housing Affordability Strategy (CHAS). As lead state agency, the Department of Commerce will develop the first Montana CHAS, including available information on housing needs.



NEW CENSUS DATA RELEASED

The U.S. Bureau of the Census has released Summary Tape File 1A (STF1A) for Montana. STF1A contains 100 percent data, including information on household relationship, sex, race, age, marital status and Hispanic origin. Housing data cover

The four components of the plan will be:

- A state profile describing the affordable housing needs of the very low income, low income and moderate income families, homeless families, and individuals with special housing needs who require supportive services
- The characteristics of the Montana housing market and existing housing stock
- A five-year strategy for housing investment in Montana
- A one-year plan for applying available resources to existing needs

The development of a Montana CHAS is a positive challenge and the department has been actively engaged in developing the strategy. As with all strategic planning, the participation of citizens is critical in making it useful and effective. During October and November, the department will actively solicit public comments on the first draft of Montana's CHAS. If you have concerns regarding housing needs in your community, contact Gus Byrom, CDBC Program Manager, Community Development Bureau, Montana Department of Commerce, Cogswell Building, Room C-211, Helena, MT 59620, or call 406-444-3757.

number of units in structure, number of rooms in unit, tenure, value of home or monthly rent, persons per household, and vacancy characteristics. For further information, contact the Census and Economic Information Center, Department of Commerce, 406-444-2896.

CENSUS '90



CANADIAN OFFICE TO OPEN

Montana's fourth foreign trade office is scheduled to hold its grand opening during the third week in October, 1991. The office will be located in the Western Business Center in downtown Calgary, Alberta.

Similar in scope to Montana's offices in Tokyo and Kumamoto, Japan, and Taipei, Taiwan, ROC, the Canadian office will focus on assisting Montana companies in finding markets and distributors for their products in Canada. It has been shown that for new export companies, Canada is the market that has the most likelihood for success. With the advent of the Free Trade Agreement, plus similar language and culture, Montana firms will find Canada to be a lucrative, accessible market. Presently, Canada is the second largest market for products exported from Montana. It is also the largest source of foreign tourists visiting the state.

With the opening of the Calgary office, Montana will be the ninth state to have an office in Canada, and the first with one in western Canada.

Governor Stephens and a large Montana delegation plan to attend the opening ceremonies in Calgary.

TRADE SHOW SCHEDULE ANNOUNCED

The Commerce Department's International Trade Office has outlined an impressive trade show schedule through the end of 1991. The staff will organize five shows and lead two overseas missions. It is anticipated that over 50 Montana companies will participate in the events.

Eleven Montana companies will be represented at the Tokyo International Gift Show, September 3-5. It is the largest show of its kind, with 84,000 wholesale trade representatives attending last year.

The Calgary Equifair is an event focusing on the equine industry in North America. Over 125,000 people attended last year's fair. Twelve Montana companies will participate this year. The Montana Department of Commerce is working closely with the Department of Agriculture and the Small Business Administration in organizing the event.

Held in conjunction with the October opening of the Calgary trade office, Montana Days in Canada will host 20 participating Montana companies in the second year of the highly successful show.

For the first time ever, Montana's office in Taipei will participate in the Taipei International Gift Show, which is similar in scope to the show in Tokyo. Fourteen Montana companies will be in attendance October 30-November 2.

The largest show of its kind, the Asia International Travel Show will be held in Taipei December 4-8, with travel wholesale representatives in attendance from the Asia-Pacific region. The trade office in Taipei will represent the Montana travel industry giving video presentations and offering a variety of informational material to the travel representatives present.



BOZEMAN FIRM SELECTED BY JETRO

The Japanese External Trade Organization (JETRO), which selects businesses worldwide to participate in its programs, chose Cindy Owing Designs (COD) to take part in a recent Japanese trade mission. The Bozeman firm produces exclusive wool coats and is only the second Montana company to be selected for the expenses-paid trip. The Commerce Department's International Trade Office nominated COD for the mission based on its high quality product and its marketability in Japan.

"It's great to have Montana represented in the JETRO delegation. This is a great boost to Cindy Owing and her company, as well as to the state," Governor Stephens said. "As our relationship with Japan grows, I hope more and more Montana companies will be able to market their products to the Japanese market."



NEW KUMAMOTO REPRESENTATIVE

Steve Shimek recently returned from eight months serving as Montana's trade representative to the Kumamoto Prefectural Government's International Affairs Division. While in Kumamoto, Shimek set up the new office and began his duties promoting trade between our sister-state and Montana, including organizing three large trade events. The office has been very successful and is being studied by other states wishing to set up offices outside Tokyo's traditional business center.

Replacing Shimek is Mark Bisom, who assumed the post in July. In 1986, Bisom served seven months in the Kumamoto Prefectural Government as Montana's representative and laid much of the groundwork for the existing sister-state relationship. One of Bisom's major projects during the next year will be the coordination of events to commemorate the 10-year anniversary of that relationship.

熊本県

FYI

For information and reservation packets regarding the upcoming Governor's Conference on Business Growth and Development in Billings, September 19-20, contact Robyn LaRango, Billings Area Business Incubator, 406-245-9989, or Alene Gorecki, Department of Commerce, Business Development Division, 406-444-3814.

NEW SBDC OFFICES OPENED

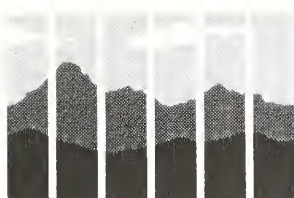
Last fall the Montana Small Business Development Center (SBDC) began efforts to establish a statewide network of regional SBDC service centers. The regional centers, in Bozeman, Billings and Missoula, which operate as partnerships with regional host organizations, will improve the delivery of SBDC services to Montana's small business owners.

The Bozeman center is a partnership with the Gallatin Development Corporation. Darrell Berger, director of the center, is a Nebraska native and a graduate of Chadron State College in Chadron, Nebraska, with a Bachelor's Degree in Business Administration. He was in banking for 10 years, most recently as vice president and senior loan officer for American National Bank in Laramie, Wyoming. Twelve years of his banking experience was in commercial lending and lending to businesses. Prior to Berger's association with American National Bank, he was a commercial lender for First Bank in Bozeman. Berger's address is: c/o Gallatin Development Corporation, 321 E. Main, Suite 413, Bozeman, MT 59715, 406-587-3113.

The Billings center is a partnership with the Billings Area Business Incubator. The center director, Al Jones, is a Billings native who managed a marketing consulting and advertising business for 9½ years. He has developed and taught seminars on law firm marketing, and taught many sales and planning seminars for national and local companies. Jones holds Bachelor's Degrees in Business Administration and Art. The center's address is: c/o Billings Area Business Incubator, Transwestern II, Suite 305, 490 N. 31st Street, Billings, MT 59103, 406-245-9989.

The Missoula center operates as a partnership with the Missoula Community Business Incubator (MCBI). Director Tess Whalen has 16 years experience in community program development, counseling and training programs, micro-business training programs, employee development and assistance, and economic self-sufficiency through home-based business. During her association with the MCBI, Whalen developed an extensive business library, state-of-the-art computer lab and resource center, and developed programs and curricula specifically tailored to meet the needs of individuals interested in acquiring the skills required to successfully operate their own business. A St. Ignatius native, Whalen is primarily interested in rural economic development and wants to bring resources, training and information to rural communities. She holds a Master's Degree in Rehabilitation Counseling from Eastern Montana College. Whalen's address is: c/o Missoula Community Business Incubator, 127 N. Higgins, 3rd Floor, Missoula, MT 59802, 406-728-9234.

The new SBDC centers join existing centers in Kalispell, Helena and Glendive. The Montana SBDC is in the process of converting the Glendive center from a state-operated center to a local partnership. The SBDC also plans to open additional centers in Butte and Great Falls.



PROFILE OF BOARD OF HORSE RACING EXECUTIVE SECRETARY

The Board of Horse Racing is responsible for the overall regulation of the parimutuel horse racing industry in Montana. Through this regulation, the integrity of the industry is insured.

Of specific concern to the board and its staff is the day-to-day regulation of eight live race tracks operating a total of 90-100 racing days and 14 simulcast network sites located statewide, offering approximately 150 days of simulcast wagering.

The board is charged with the responsibility of licensing and determining licensure of 66 occupational categories, which translates into 3,000 licenses issued annually.

In 1990, the board staff was responsible for ensuring the correct distribution of \$6.5 million wagered live on track and \$3 million wagered through simulcast. The board staff is responsible for adoption, administration and enforcement of all racing rules, including but not limited to licensing, permissible medication and drug testing, auditing, supervision, and investigations pertaining to all parimutuel racing.

The Board of Horse Racing is funded by a state special revenue fund tax (1% of parimutuel handle). Other revenue sources include medication fees, fines imposed and sale of annual licenses.

Sam Murfitt, a Helena native, was appointed to the position of Executive Secretary to the Board of Horse Racing in September 1990. The Executive Secretary plays a vital role in supervising all race meets and all racing officials, hiring all state racing officials for the department, and enforcing and administering all rules of the board.

Murfitt attended Helena area schools and graduated from Western Montana College with a Bachelor of Science degree in Secondary Education. Prior to assuming his duties

with the Board of Horse Racing, Murfitt was employed by the Montana Department of Health and Environmental Sciences as a consultant sanitarian.

For many years, Murfitt was an owner and trainer of thoroughbred and quarter horse race horses, a partner in Montana Simulcast Partners, and a manager of Helena Downs race track and meet.

One of Murfitt's primary goals as Executive Secretary is to assist the horse racing industry in regaining the successful status achieved in the early 1980s. In the last several years, various economic factors have significantly affected both the number of horses available to race and the amount of money patrons are willing to wager on horses. Murfitt is working with owners, trainers, breeders and track management to emphasize creation of a new fan base, increased family promotions, common pooling, decreasing or eliminating unnecessary expenses, and simulcast wagering. Those are a few of the new concepts which will hopefully ensure the future of horse racing in Montana.



Sam Murfitt

MISSION TO THE SILICON VALLEY

On June 21, Governor Stephens and the Montana Ambassadors presented a seminar and hosted a reception in Milpitas, California. Joining the Governor and the Ambassadors were representatives of local development corporations from Billings, Bozeman, Great Falls, Helena and Missoula, as well as the Commerce Department's Business Development Division and Science and Technology Alliance.

Fourteen Silicon Valley companies attended the seminar, which included detailed information on Montana's business environment; background information on the state's technology-based industries; and profiles of existing Montana firms with subcontract manufacturing or service capacity.

Two guiding principles formed the core of the mission: first, to expand sales opportunities for existing Montana firms in subcontract manufacture for the electronics industry; and second, plant the seed for relocation/expansion by demonstrating, possibly through subcontracts, that Montana offers a cost-competitive business environment. Subcontracts are currently in the quote/negotiation stage and over \$7 million in quotes have been made so far. Two companies are already considering Montana location options and detailed proposals are in preparation for those firms.

Based on the success of this pilot effort, the Montana Ambassadors plan to continue the program through 1992, with four additional missions tentatively scheduled.

SCIENCE AND TECHNOLOGY POLICY AND PLAN

On October 22, 1990, Governor Stephens signed executive order number 13-90 creating the Montana Science and Technology Advisory Council. The council was charged with the development of a science and technology plan for Montana that utilizes existing and potential strengths to expand expertise in science and technology, leading to economic development benefits for Montana.

Governor Stephens released the plan to the public in July, offering his enthusiastic endorsement and full support. The Governor called the plan "a new component in the state's drive to develop its economy." The purpose of the plan is to maximize the state's opportunities to develop jobs, add value to existing resources, increase educational opportunities, expand entrepreneurship, improve the scientific infrastructure and encourage discovery.

In presenting the document to the Governor, Carl Russell, Executive Director of the Montana Science and Technology Alliance, expressed his support, saying, "The plan will provide a blueprint to be followed by Montanans in preparation for the twenty-first century so we may compete in the ever changing global economy."



Implementation of the plan will begin immediately with execution of six activity areas identified in the plan, including a public education and awareness initiative; formation of focus groups and development of action plans; initiation of a significant fund raising drive to develop a science and technology base for Montana; increased human resource development and preparation; improvement in the transfer of university technology and expertise to the public; and institutionalization of science and technology policy and control.

NEW TELEPHONE SERVICE

Now there is a telephone service available to hard-of-hearing, speech-impaired or deaf people, allowing them to communicate with anyone, anytime, anywhere in Montana via a telecommunications device for the deaf (TDD). The device is a telephone-linked typewriter, which the physically impaired person uses to type out his or her part of the conversation. The call is received by a Montana Relay Service communications assistant who reads the message aloud to the hearing person at the other end of the line. The hearing person's spoken words are then typed back to the hard-of-hearing, speech-impaired or deaf caller. The assistants relay each conversation and every call is handled in the strictest confidence. Calls are billed at regular AT&T rates, with applicable discounts and no extra charges. TDDs are available free to qualified Montanans. For more information about the TDD distribution program, or the Montana Relay Service, please contact: Montana Telecommunications for the Telephone Handicapped, 111 N. Last Chance Gulch, Helena, MT 59601, 406-444-1335, 1-800-833-8503.

TOURISM ADVISORY COUNCIL MEETS

The Tourism Advisory Council (TAC) met in Glasgow in June to evaluate issues of importance to Montana's travel industry.

The council reviewed and adopted the 1991-92 Montana Tourism and Film Marketing Plan, which it hopes will bring to Montana the greatest economic impact with available marketing dollars.

Commerce Director Chuck Brooke addressed the council and explained that travel and tourism will play a major role in a department study on long range economic development planning.

The TAC approved a \$467,000 nationwide "Ski Montana" campaign. Elements of the aggressive campaign will include extensive advertising in national magazines, such as *Skiing*, *Snow Country*, and *Better Homes and Gardens*; television spots in North Dakota, Saskatchewan and Washington; billboards in North Dakota, Minneapolis and Seattle; and airport displays in Salt Lake City. The campaign budget, funded with \$393,000 from lodging tax revenue and \$74,000 from Montana ski areas, continues to promote the state as a friendly, uncrowded, powder perfect ski destination.

With the participation and support of the Montana private sector, the TAC gave its approval to proceed with a statewide annual travel conference in the spring of 1992 and also finalized plans for an extensive Montana convention promotion program.

Approval was granted for regional and chamber tourism organizations to proceed with over \$1,300,000 worth of local and regional tourism marketing projects, involving such media as travel guides, television and national magazine advertising, and convention promotions.

COMING EVENTS

** Governor's Conference on
Business Growth and Development,
Billings, September 19-20

** Calgary Business Fair, Calgary,
October 21-22

** Taipei International Gift Show,
Taiwan, ROC, October 30-November 2

** Asia International Travel Show,
Taipei, Taiwan, ROC, December 4-8

For more information, contact the
Business Development Division,
406-444-3923.



NOTICE

The economic development
newsletter, "Dispatches," has been
discontinued, however, the "Inside"
will continue to carry articles of a
similar nature.

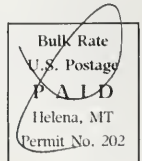
Can We Help You?

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Public Safety Division, W. James Kembel, <i>Administrator</i>	444-3164
Legal Unit and Consumer Affairs, Annie M. Bartos, <i>Chief Counsel</i>	444-3553
Local Government Assistance Division, Newell Anderson, <i>Administrator</i>	444-3757
Montana Board of Housing, Dick Kain, <i>Administrator</i>	444-3040
Montana Board of Investments, Dave Lewis, <i>Executive Director</i>	442-1970
Montana Health Facility Authority, Jerry Hoover, <i>Administrator</i>	444-5435
Office of Research and Information Services, Jan Clack, <i>Administrative Officer</i>	444-4374
Montana Science and Technology Alliance Carl Russell, <i>Executive Director</i>	449-2778
Financial Division, Donald Hutchinson, <i>Commissioner</i>	444-2091
Coordinator of Indian Affairs, Kathleen Fleury	444-3702
Lottery Division, Zoann Attwood, <i>Director</i>	444-5825
Montana Board of Horse Racing, Sam Murfit, <i>Executive Secretary</i>	444-4286

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